

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

| | | |
|---------------------------------|---|-----------------|
| THE NOTICE OF PURCHASED GAS |) | |
| ADJUSTMENT FILING OF LOUISVILLE |) | CASE NO. 8616-E |
| GAS AND ELECTRIC COMPANY |) | |

O R D E R

On March 2, 1983, the Commission issued its Order in Case No. 8616 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On March 8, 1984, Louisville Gas and Electric Company ("LG&E") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Texas Gas Transmission Corporation ("Texas Gas"), and that it had refunds due its customers. LG&E submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) LG&E's notice of March 8, 1984, set out certain revisions in rates which LG&E proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$3,054,347, of which

\$61,685 is applicable to gas used for Electric Department fuel and \$2,992,662 is applicable to LG&E gas customers. The result is a downward adjustment in the purchased gas adjustment of 0.593 cents per 100 cubic feet.

(2) On February 29, 1984, Texas Gas filed revised tariffs with the Federal Energy Regulatory Commission to be effective February 1, 1984.

(3) LG&E's notice of March 8, 1984, requested an effective date of April 1, 1984, for its proposed rates. Due to the retroactive nature of Texas Gas' decrease, LG&E will collect excess revenues during the period from February 1, 1984, to April 1, 1984. LG&E estimates it will have \$477,878 that should be refunded to its gas customers.

(4) On January 26, 1984, LG&E received a refund in the amount of \$44,620 from its supplier. Of this amount, \$4,250 is applicable to gas used as Electric Department fuel with the remaining \$40,370 due LG&E's gas customers.

(5) The total estimated refundable amount to LG&E's gas customers is \$518,248. LG&E proposed to establish a refund factor of .110 cents per 100 cubic feet effective April 1, 1984, and continuing for 12 months or until such refund obligation has been discharged. LG&E also proposed to adjust the refundable amount of \$518,248 upward or downward, as the case may be, when actual figures are available.

(6) LG&E should refund the amount reported in its application plus interest at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding

12-month period less 1/2 of 1 percent to cover the costs of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

(7) LG&E's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8616 dated March 2, 1983, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 1, 1984.

IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 1, 1984.

IT IS FURTHER ORDERED that LG&E shall apply a refund factor in the amount of .110 cents per 100 cubic feet of gas as a reduction in the purchased gas adjustment beginning on April 1, 1984, and remaining in effect until such time as necessary so that the total amount refunded will, as nearly as possible, reflect the amount received. The refund factor will terminate when the amount refunded equals the refund herein reported plus interest.


IT IS FURTHER ORDERED that within 30 days from the date the refund factor is terminated LG&E shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

IT IS FURTHER ORDERED that within 30 days of the date of this Order LG&E shall file with this Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 19th day of March, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8616-E DATED
MARCH 19, 1984

The following rates and charges are prescribed for the customers served by Louisville Gas and Electric Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

Purchased Gas Adjustment:

| | |
|---|----------|
| PGA corresponding to Base Supplier Rate | (3.841)¢ |
| Refund Factor effective August 1, 1983, and continuing for 12 months or until company has discharged its refund obligation from Case No. 8616-B. | (.465) |
| Refund Factor effective October 1, 1983, and continuing for 12 months or until company has discharged its refund obligation from Case No. 8616-C. | (.071) |
| Refund Factor effective April 1, 1984, and continuing for 12 months or until company has discharged its refund obligation from Case No. 8616-E. | (.110) |
| Total Adjustment Per 100 Cubic Feet | (4.487)¢ |

The base rates for the future application of the purchased gas adjustment clause of Louisville Gas and Electric Company shall be:

| | <u>Monthly Demand Charge</u> | <u>Commodity Charge</u> |
|------------------------------------|------------------------------|-------------------------|
| Texas Gas Transmission Corporation | | |
| Rate G-4 | \$6.60 | 329.64¢ |